



News from **Fluor Hanford**

July 15, 2004

CONTACT:
Geoff Tyree (509) 372-1145
Geoffrey_T_Tyree@rl.gov

DOE cites Fluor Hanford for Price-Anderson violations

Richland, Wash. – The Department of Energy's (DOE) Office of Price-Anderson Enforcement has issued a Preliminary Notice of Violation (PNOV) to Fluor Hanford for significant design and management deficiencies that occurred prior to April 2003 in the company's K Basins sludge retrieval project at the Hanford Site in southeast Washington State.

The notice documents numerous violations of DOE nuclear safety requirements that occurred in the design and construction of a system for retrieving 50 cubic meters of sludge from two large, million-gallon basins. The K Basins once held 2,100 metric tons of corroding spent nuclear fuel.

No consequences to Hanford workers, the general public or the environment resulted from the cited issues. However, the Preliminary Notice of Violation states that the design deficiencies could have continued to exist if the original system had been placed into operation in the spring of 2003.

In April 2003, Fluor Hanford was making final preparations prior to starting retrieval of the sludge. Fluor Hanford stopped a readiness review prior to operations when the review team raised concerns about the retrieval system's design.

Investigations performed by both DOE and Fluor Hanford identified pervasive and significant design and quality assurance deficiencies that ranged from significant safety issues with equipment not installed as designed to minor inconsistencies in documentation.

(more)

This enforcement action is one of the more significant nuclear safety enforcement actions taken by the DOE. A proposed civil penalty of \$935,000 was assessed, based on the significance of the violations.

“We just received notice of this enforcement action,” said Fluor Hanford President Ron Gallagher. “We want to go through it carefully to make sure we fully understand this enforcement action. We are disappointed with the civil penalty, particularly the level of the fine, because we have completely turned this project around in the past year.”

Gallagher said major changes were made to fix problems on the project, including correcting design and safety deficiencies, replacing the personnel who contributed to the earlier failures of the project, increasing internal oversight, and creating stronger working relationships with DOE and the regulatory agencies.

After passing two reviews in May to demonstrate operational readiness, Fluor Hanford started retrieving sludge from the K East Basin on June 17. Fluor Hanford and the DOE, along with its regulators, have agreed on a new technical approach that accelerates treating and disposing of the sludge by more than a decade and accelerates the removal of the basins as many as five years sooner than previous schedules.

“This collaboration has been very beneficial in accelerating the closure of the K Basins,” said Gallagher. “We applied the lessons learned from past failures to turn the sludge retrieval project around. We will continue removing the sludge, and we will not sway from our objective of completing this project safely and meeting our regulatory commitments,” said Gallagher.

###